

Message Text

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ORIGIN STR-04

INFO OCT-01 ARA-06 EUR-12 NEA-10 IO-10 ISO-00 STRE-00 EB-07

SSO-00 NSCE-00 USIE-00 INRE-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

TAR-01 TRSE-00 PRS-01 SP-02 OMB-01 /113 R

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FM SECSTATE WASHDC

TO USMISSION OECD PARIS IMMEDIATE

USMISSION GENEVA IMMEDIATE

INFO ALL OECD CAPITALS IMMEDIATE

AMEMBASSY BRASILIA IMMEDIATE

AMEMBASSY MEXICO IMMEDIATE

AMEMBASSY NEW DELHI IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD, UK

SUBJECT: UK IMPORT MEASURES ANNOUNCED DECEMBER 17

1. FOLLOWING IS THE TEXT OF A PRESS STATEMENT RELEASED
IN WASHINGTON DECEMBER 17 REGARDING THE ANNOUNCEMENT BY
THE UK OF CERTAIN MEASURES TO RESTRICT IMPORTS. POSTS
SHOULD DRAW ON THIS TEXT IN RESPONSE TO INQUIRIES.

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2. BEGIN TEXT. THE UNITED STATES REGRETS THAT THE BRITISH

GOVERNMENT HAS TAKEN RESTRICTIVE IMPORT ACTIONS. SUCH ACTIONS ARE A MATTER OF CONCERN ANY TIME THEY ARE TAKEN. THEY ARE A MATTER OF PARTICULAR CONCERN WHEN ECONOMIC DIFFICULTIES AROUND THE WORLD ARE SUBJECTING MOST GOVERNMENTS TO PRESSURES TO SOLVE THEIR DOMESTIC EMPLOYMENT PROBLEMS BY RESTRICTING IMPORTS.

3. WE NOTE THAT THE UK IS EXPERIENCING A PARTICULARLY DIFFICULT ECONOMIC SITUATION AND THAT THE ANNOUNCED MEASURES ARE LIMITED AND WE ASSUME THAT THEY WILL BE TEMPORARY. WE EXPECT A DETAILED EXPLANATION OF THESE MEASURES IN THE GATT AND IN THE OECD.

4. WE ARE EVALUATING THE IMPACT OF THESE MEASURES ON OUR OWN TRADE. IN OUR CONSULTATIONS IN THE GATT AND THE OECD, WE WILL REVIEW THE POTENTIAL IMPACT OF THE ANNOUNCED MEASURES ON THE OVERALL TRADING SYSTEM. IN THE COURSE OF THESE DISCUSSIONS, WE WILL EXAMINE WITH THE BRITISH AUTHORITIES HOW DISTORTIONS TO INTERNATIONAL TRADE CAN BE KEPT TO A MINIMUM. WE WILL SEEK CONTINUING INTERNATIONAL SURVEILLANCE OF THESE MEASURES TO ASSURE THAT THEY ARE REMOVED AT THE EARLIEST POSSIBLE TIME.

5. WE NOTE THAT FOOTWEAR AND TEXTILES COVERED BY THE PROPOSED RESTRICTIONS ARE PARTICULARLY SENSITIVE, NOT ONLY FOR THE U.K., BUT FOR THE UNITED STATES AND MANY OTHER COUNTRIES AS WELL. IN THIS CONNECTION, THE MULTI-FIBER ARRANGEMENT EXISTS TO PROVIDE BOTH ORDER AND EXPANDING MARKETS IN TEXTILES. IT WOULD BE PARTICULARLY UNFORTUNATE IF THESE MEASURES WERE TO WEAKEN THE MULTI-FIBER ARRANGEMENT. WE HOPE THAT ALL COUNTRIES, PARTICULARLY THE EUROPEAN COMMUNITY, WILL MEET THEIR RESPONSIBILITIES UNDER THE AGREEMENT.

6. WITH RESPECT TO COLOR TV TUBES AND SETS AND OF PORTABLE MONOCHROME SETS, WE NOTE THAT NO RESTRICTIONS WERE ACTUALLY IMPOSED. THE PROPOSED SYSTEM OF SURVEILLANCE SHOULD NOT BE USED AS A DEVICE TO RESTRICT IMPORTS.

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7. PROTECTIONISM IS A SERIOUS DANGER IN A WORLD ECONOMY WEAKENED BY RECESSION. NO TRADE RESTRICTIONS CAN THEREFORE BE TAKEN LIGHTLY. ANY RESTRICTIONS THAT ARE IMPOSED MUST BE STRICTLY JUSTIFIABLE IN TERMS OF THE PROBLEM FACED AND MUST BE CONSONANT WITH DOMESTIC LAWS AND INTERNATIONAL RULES. THERE CAN BE NO COMPLACENCY EVEN BY THOSE NOT DIRECTLY AFFECTED.

8. THE SHARED OBJECTIVE OF ALL COUNTRIES AT THIS CRITICAL JUNCTURE SHOULD BE TO AVOID THE SPREAD OF RESTRICTIVE IMPORT ACTIONS AND REACTIONS.

9. COUNTRIES SHOULD THEREFORE REINFORCE THEIR EFFORTS TO ADHERE TO THE OECD TRADE PLEDGE. IN THE LONGER TERM, SAFEGUARD PROCEDURES TO DEAL MORE EFFECTIVELY WITH SITUATIONS SUCH AS THIS SHOULD BE DEVELOPED IN THE MTN IN GENEVA. END TEXT.

10. FOR MISSION GENEVA: YOU SHOULD INFORM LONG THAT WE SEE NO NEED FOR AN EMERGENCY MEETING OF THE GATT COUNCIL AND BELIEVE THE UK MEASURES OUGHT TO BE REVIEWED AT THE NEXT REGULAR COUNCIL MEETING. HOWEVER, IF OTHER COUNTRIES, PARTICULARLY THOSE MOST DIRECTLY AFFECTED BY UK MEASURES, WISH TO CONVENE AN EARLIER GATT COUNCIL MEETING, WE WOULD HAVE NO OBJECTION.

11. FOR MISSION OECD: WE ASSUME VAN LENNEP WILL CALL A MEETING OF THE OECD COUNCIL AND BELIEVE INITIATIVE ON THIS SHOULD BE LEFT TO HIM. AT A COUNCIL MEETING YOU SHOULD MAKE A STATEMENT DRAWING ON TEXT OF WASHINGTON

PRESS RELEASE. YOU SHOULD SUPPORT ANY VAN LENNEP RECOMMENDATION FOR MEANS TO REVIEW TECHNICAL DETAILS OF THE UK MEASURES AND, IF REQUIRED, REQUEST SUCH A REVIEW YOURSELF. OUR PREFERENCE IS FOR SUCH A REVIEW TO BE CONDUCTED BY THE TRADE COMMITTEE WORKING PARTY ALTHOUGH WE HAVE NO STRONG OBJECTIONS TO AN AD HOC GROUP OF THE COUNCIL IF OTHERS PREFER. YOU SHOULD NOTE THAT WE EXPECT THERE TO BE A DISCUSSION OF THE UK MEASURES AT THE JANUARY MEETING OF THE TRADE COMMITTEE, IN ACCORDANCE WITH THE PROVISIONS OF THE TRADE PLEDGE. INGERSOLL
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